



Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

June 7, 1990

TO: Wayne Hedberg - Minerals Supervisor
FROM: Steve Schneider - O & G Audit Supervisor *Steve*
RE: Barrick Self-Bond Qualification

I have reviewed the self-bond agreement, the self-bond qualification sheet, and the annual report for Barrick Resources, and offer the following comments for your consideration:

1. My primary concern is the company which has signed the self-bond agreement, Barrick Resources (USA), Inc. The financial data which has been submitted for self-bonding qualification is for American Barrick Resources Corporation, who is the parent of several subsidiaries such as Barrick Resources (USA) Inc. (Mercur Mine) and Barrick Goldstrike Mines Inc. (Goldstrike Mine in NV).

If the parent's financial data qualifies this mine for self-bonding, then the parent should also be a signing party to the agreement. The self-bond agreement from November, 1986 did include the parent as well as the individual Mercur mine corporation.

You should also be aware that the parent is a Canadian based corporation. I do not have the legal background to identify if this circumstance would hinder the State of Utah's ability to insure performance.

2. My review of the parent's financial ratios indicates improvement since the self-bond qualification in 1986. Please reference the attached report for more detail in this area.

The figures provided by Barrick for the self-bonding qualification are based on accounting principles generally accepted in Canada, which are different than those accepted in the United States. However, as the attached report reflects, the ratios are not significantly affected in relation to the minimums established for your self-bond qualification.

3. Another issue to consider regarding qualification is that no maximum self-bond amount has been established based on submitted financials. For example, an operator could pass the ratio tests of current assets to current liabilities, total liabilities to net worth, and meet the minimum

net worth of \$10 million, however would a self-bond of an unlimited amount be acceptable? Certainly a self-bond greater than their net worth would not be secure. One idea would be to limit the self-bond to 10% of the net worth to provide protection to the state. An alternative would be to review this on a case by case basis with the Board, provided operators knew that agreement to the self-bond by the Board could include additional factors than those specifically stated on the form.

4. The Board needs to consider that the financial statements submitted by American Barrick do not reflect a recorded liability for the lawsuit filed against Barrick by Gold Standard, Inc. which involves the Mercur mine. An outcome unfavorable to Barrick could eliminate the entire net worth of the consolidated company. Barrick has not recorded a liability since they believe the lawsuit is without merit, however they do state that damages could have "a material adverse effect on the Company." The qualified opinion of Parsons, Behle, and Latimer regarding this suit is also reflected in the notes to the financial statements on page 45. This contingent liability was briefly identified in the financial statements for the previous bond review in 1986, but the Board must consider if they are willing to continue to accept this risk.
5. My review of the 1989 annual report of American Barrick did not identify a reference to their previous commitment to the state of Utah for \$6,657,000 of reclamation to the Mercur mine. Since this company has six other major mining projects, I believe the state of Utah should become aware of the bonding instruments utilized for the other mines. The key reason for this request is that other states could be reviewing the same annual report as we are to determine financial strength in order to issue a form of self-bond, thus multiple unsecured parties would have less protection than they originally believed.
6. While I didn't originally consider the calculation of the reclamation amount to be a part of my review, I did notice that Barrick utilized an annual inflation factor of 1.84% for the years of 1990 to 1999 in the calculation of the \$8,808,891 bond. This appears to be a very conservative inflation estimate. As an example, the annual report estimates annual salary increases of 6% in their funding of pension obligations.

I hope these comments provide additional information for you to consider in the self-bonding qualification. Please contact me if you have further questions.

AU57/1-2

Attachment

6/7/90

Financial Ratios – Amer Barrick Resources

	1989	1988	1987	1986
CUR AS/CUR LIAB (Min of 1.2)				
Canada Acctg	4.15	2.02	NA	1.24
U.S. Acctg	3.34			
TLIAB/NETWORTH (Max of 2.5)				
Canada Acctg	1.00	0.79	NA	1.93
U.S. Acctg	1.00			
NET WORTH (Thousands of Dollars)				
Canada Acctg	525,518	390,485	NA	141,407
U.S. Acctg	513,515			
CUR ASSETS				
Canada Acctg	368,045	86,957	NA	153,022
U.S. Acctg	368,045			
CUR LIABIL				
Canada Acctg	88,779	43,069	NA	123,464
U.S. Acctg	110,207			
TOTAL LIAB				
Canada Acctg	524,551	310,350	NA	273,078
U.S. Acctg	513,863			
NET INCOME				
Canada Acctg	35,765	30,495	18,819	15,062
U.S. Acctg	30,823			

NONCOAL
(July 1989)

Mine Mercur
Permit No. M/045/017
Date March 14, 1990
Checked By _____

SELF BONDING QUALIFICATION SHEET

Applicant required to meet one of the following criteria:

1. Current rating for most recent bond issuance
("A" or higher) (Moody's Investor Service or
Standard and Poor's Corporation) _____

or

2. A. Tangible Net Worth = (at least \$10 Million) (Net worth minus intangibles [Goodwill and rights to patents or royalties])	<u>\$525,518,000</u>
B. Total Liabilities/Net Worth (2.5 times or less) = 1.00	<u>524,551,000</u> <u>525,518,000</u>
C. Current Assets/Current Liabilities (1.2 times or greater) = 4.15	<u>368,054,000</u> <u>88,779,000</u>
Reference: <u>See attached</u>	

or

3. A. Fixed assets in the United States (at least \$20 million) =	<u>\$</u>
B. Total Liabilities/Net Worth (2.5 times or less) =	_____
C. Current Assets/Current Liabilities (1.2 times or greater) =	_____
Reference: _____	

Has the operator been in continuous operation of not less than five (5)
years (immediately preceding the time of application) (submitted five
annual reports)?

Yes X No _____

Has the operator furnished financial statements prepared by an
independent certified public accountant in conformity with generally
accepted accounting principles?

Yes X No _____

Has the operator furnished unaudited financial statements for
completed quarters in the current fiscal year?

Yes _____ No X

Has the operator supplied other useful information for determining
financial qualifications?

Yes _____ No X

January 31, 1990
Mercur, Utah

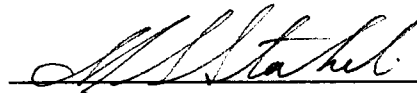
TO: Glenn M. Eurick
FROM: Max S. Staheli
SUBJECT: Financial Ratios for Reclamation Bonding

Using American Barrick's audited financial statements for December 31, 1989, the two ratios used in the reclamation bonding are as follows:

Current Ratio: $\frac{\$368,054,000}{\$88,779,000} = 4.15$

Total Liabilities to Net Worth: $\frac{\$524,551,000}{\$525,518,000} = 1.00$

Both ratios fall within the allowable limits which are a current ratio greater than 1.2 and a liabilities to net worth less than 2.5.



MSS/cg

cc: F. D. Wicks
C. L. Landa

NONCOAL
(July 1989)

Mine Mercur
Permit No. M/045/017
Date March 14, 1990
Checked By Steve Schneider (DOGM)

SELF BONDING QUALIFICATION SHEET

Applicant required to meet one of the following criteria:

1. Current rating for most recent bond issuance
("A" or higher) (Moody's Investor Service or
Standard and Poor's Corporation) _____

or

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C. Current Assets/Current Liabilities (1.2 times or greater) = 4.15	<u>368,054,000</u> <u>88,779,000</u>
Reference: <u>See attached</u>	

or

3. A. Fixed assets in the United States (at least \$20 million) =	<u>\$</u>
B. Total Liabilities/Net Worth (2.5 times or less) =	<u></u>
C. Current Assets/Current Liabilities (1.2 times or greater) =	<u></u>
Reference: _____	

Has the operator been in continuous operation of not less than five (5)
years (immediately preceding the time of application) (submitted five
annual reports)?

Yes X No

Has the operator furnished financial statements prepared by an
independent certified public accountant in conformity with generally
accepted accounting principles?

Yes X No

Has the operator furnished unaudited financial statements for
completed quarters in the current fiscal year?

Yes No X

Has the operator supplied other useful information for determining
financial qualifications?

Yes No X

January 31, 1990
Mercur, Utah

TO: Glenn M. Eurick
FROM: Max S. Staheli
SUBJECT: Financial Ratios for Reclamation Bonding

Using American Barrick's audited financial statements for December 31, 1989, the two ratios used in the reclamation bonding are as follows:

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Total Liabilities to Net Worth: $\frac{\$524,551,000}{\$525,518,000} = 1.00$

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MSS/cg

cc: F. D. Wicks
C. L. Landa

EXHIBIT "A"

LANDS

PATENTED MINING CLAIMS

<u>CLAIM NAME</u>	<u>MINERAL SURVEY (OR LOT) NUMBER</u>
Cannon	3033
Intermediate	3033
Ingot	3033
Index	3033
Delta	3033
Golden Spray	3033
Megg	3033
Golden Dream	3033
General Sherman	3526
Little Joint	3120
Silver Bell	3120
Dump No. 1	3120
Tramway	3120
Crescent	3755
Gladstone No. 1	3479
Gladstone No. 2	3479
Didsbury	3479
Mark Cory	3479
Leadville No. 3	3479
Ten Forty	2941
Gold Dust	2941
Gold Dust No. 2	2941
Gulch	2941
Sunflower	2941
Idaho	3166
Idaho No. 2	3166
Tillie	3166
Seven Thirty	3166
Constitution	3166
Baltic No. 2	3166
Caledonia	3166
Free Trade	3166
Wedge	3168
Emilie	Lot 149
Dump No. 2	3120
Sherman	2957
Jones Bonanza	2957

MINERAL SURVEY
(OR LOT) NUMBER

CLAIM NAME

Gentile Belle

Lot 46

Gold Ring
Abe Lincoln

3086
3086 (except portion
lying within Utah
County, UT)

Mormon Girl
Little Ruth
Ajax
Grandview
Jumbo [Jombo]
Eliza
Isabella
Dexter
Generous

3092
3092
3193
3193
3193
3156
3156
3163
3163

Gray Boll No. 1
Gray Boll No. 2

3102
3102

Hazle [Hazel]

2994

Old Grover

3073

Mary E.
Mary E. No. 2
Wonder
Northside

3073
3073
3073
3073

Border No. 1
Border No. 2
Border No. 3
Border No. 4
Gold Coin No. 1
Gold Coin No. 2
Gold Coin No. 3
Gold Coin No. 4
Gold Coin No. 5
Gold Coin No. 6
Gold Coin No. 7

3176
3176
3176
3176
3176
3176
3176
3176
3176
3176
3176

Songbird
Songbird No. 1
Songbird No. 2

3101
3101
3101

CLAIM NAMEMINERAL SURVEY
(OR LOT) NUMBER

Star of the West

44

White Oak

3649

White Oak No. 2

3649

Antique

3649

Antique No. 2

3653

Mercur Gold Bar No. 1

7204

Mercur Gold Bar No. 3

7204

Omaha

3190

Indiana

3190

Cactus

3190

Ohio

3190

Dayton

3190

Douglas

3190

McEntire No. 2

3186

McEntire No. 3

3186

Daisey No. 1

3186

Daisey No. 2

3186

Daisey No. 3

3186

Daisey No. 4

3186

Daisey No. 5

3186

Daisey No. 6

3186

Lots 1, 3, 4, 5, and 11 of Block 1, Southside No. 2 Subdivision. Lots 1 thru 10 (excluding Lot 2) Block 2, Southside No. 2 Subdivision. Lots 1 through 6, Block 3, Southside No. 2 Subdivision, Mercur Townsite.

Lot 22, Section 7, Township 6 South, Range 3 West, Salt Lake Base and Meridian, Tooele County, State of Utah

CLAIM NAMEMINERAL SURVEY
(OR LOT) NUMBER

Mercur

Lot 57

Resolute No. 2

Lot 62

Nimrod

Lot 63

Southside No. 2

Lot 65

Apex

Lot 66

Ruby

Lot 67

Apex No. 2

Lot 68

Ralph

Lot 69

MINERAL SURVEY
(OR LOT) NUMBER

CLAIM NAME

Fremont	Lot 70
Lulu	Lot 71
Mattie No. 4	3110
Mattie No. 5	3111
Keystone	3112
Brickyard	Lot 72
Potosi	Lot 72
Justice	Lot 72
Arab	Lot 72
Snowflake	3246
Lady May	Lot 74
Vulture	Lot 74
Sullivan	Lot 74
Protective Tariff	Lot 74
Hard Times	3136
Hard Times No. 2	3136
Hard Times No. 3	3136
Fourth of September	3136
Fundamental	3078
Grasshopper	2948
Noonday	2948
Mabel	2948
Hard Time No. 4	3328
Independence	3087
Defiance	3087
Navigator	2984
Wedge of Gold	2984
B.B.	2977
Magpie	2977
Surprise	2977
Exchequer	2979
Rob Roy	2979
Ortega	3291
Plutarch	2982
Tempest	3321
Merrett	3290
Merrett No. 1	3290
Merrett No. 2	3290
Old Guard	3290
Genevieve	3511
Vee	3284
Lehi	3320
Gold Flat	3284
Rover No. 4	3284

CLAIM NAMEMINERAL SURVEY
(OR LOT) NUMBER

Buffalo	3512
Buffalo Fraction	3512
DeRouche	3512
Frances [Francis]	3512
My Emma	3512
My Emma No. 1	3512
Cedar Grove	3512
Cedric	3512
Cedric No. 2	3512
Cedric No. 3	3512
Coolgardie	3512
Molly Bawn	3512
Dolly Varden	3403
Dolly Varden Fraction	3403
John Adams [John Adam]	3403
Yankee Girl	3403
Yankee Girl No. 2	3403
Yankee Girl No. 3	3403
Yankee Girl Fraction	3403
Custer No. 2	3403
Miller	3403
Miller Fraction	3403

UNPATENTED MILLSITE CLAIMSCLAIM NAMECOUNTYB.L.M. NUMBERS

Emily No. 1-257	Tooele	225146-225402
	Tooele	
Emily No. 258-265	Tooele	242324-242331
TNT No. 1	Tooele	227370
TNT No. 2	Tooele	227371
DS No. 4	Tooele	256017
DS No. 9 (Amended)	Tooele	256018
DS No. 24	Tooele	256019
DS No. 31	Tooele	256020

Lady May, Lot No. 74209066-3-A, 358
Brickyard, Lot No. 74209667-3-A, 358-9
Grasshopper, Sur. No. 2948209668-3-A, 359
Exchequer, Sur. No. 2970209669-3-A, 359-60
Rob Roy, Sur. No. 2970209670-3-A, 360

Justice, Lot No. 72209671-3-A, 361
 Magpie, Sur. No. 2977209672-3-A, 361-2
 Plutarch, Sur. No. 2982209673-3-A, 362
 Navigator, Sur. No. 2984209674-3-A, 363
 Fundamental 1, Sur. No.
 3078209675-3-A, 363
 Hard Times No. 2, Sur. No.
 3136209676-3-A, 364
 Ortega, Sur. No. 3291209677-3-A, 364-5
 Potosi, Lot No. 72209678-3-A, 365
 Vulture, Lot No. 72209679-3-A, 366
 Noonday, Sur. No. 2948209680-3-A, 366-7
 Protective Tariff, Lot No.
 74209681-3-A, 367
 Tempest, Sur. No. 2321209682-3-A, 367-8
 Arab, Lot No. 72209683-3-A, 368
 Defiance, Sur. No. 3087209684-3-A, 369
 B.B., Sur. No. 2977209685-3-A, 369-70
 Surprise, Sur. No. 2977209686-3-A, 370
 Wedge of Gold, Sur. No.
 2984209687-3-A, 371
 Independence, Sur. No.
 3087209688-3-A, 371
 Hard Times, Sur. No. 3136209689-3-A, 372
 Mabel, Sur. No. 2948209690-3-A, 372-3
 Snowflake, Sur. No. 3246209691-3-A, 373
 Little Vee, Sur. No. 3284209692-3-A, 373-4

UNPATENTED LODE MINING CLAIMS

<u>CLAIM NAME</u>	<u>COUNTY</u>	<u>B.L.M. NUMBERS</u>
Julie No. 1-16	Tooele	230531-230546
Julie No. 12-25	Utah	230542-230555
Julie No. 26-27	Utah	230557-230558
Julie No. 28	Tooele	230559
Julie No. 28	Utah	230559
Julie No. 29-59	Utah	230560-230589
Julie No. 68-75	Utah	230598-230604
Julie No. 76-84	Tooele	230606-230614
Julie No. 85	Tooele	230615
Julie No. 85-90	Utah	230615-230620
Julie No. 93-98	Tooele	230623-230628
Julie No. 99-104	Tooele	236448-236453
Julie No. 105	Utah	236454
Julie No. 107	Tooele	236456
Julie No. 211-212	Tooele	236558-236559
Julie No. 13	Utah	236560

CLAIM NAMECOUNTYB.L.M. NUMBERS

Julie No. 288-373	Tooele	236631-236641
	Tooele	236642-236716
Julie No. 380-410	Tooele	238492-238522
Julie No. 411-467	Tooele	242332-242388
Julie No. 468-476	Utah	242389-242397
Julie No. 471	Tooele	242392
Julie No. 474-475	Tooele	242395-242396
Julie No. 477-559	Tooele	239743-249825
Julie No. 4720-4721	Utah	256987-256988
Julie No. 463		
Amend.	Tooele	242385
Julie No. 463-B	Tooele	242386
Julie No. 463-B		
Amend.	Tooele	256986
Julie No. 457 Amend	222	Tooele 242324
Julie No. 36 Amend.	Utah	230560
Julie No. 39 Amend.	Utah	230563
Julie No. 47 Amend.	Utah	230561
Julie No. 48 Amend.	Utah	230572
Julie No. 52 Amend.	Utah	230577
Julie No. 54 Amend.	Utah	230578
Julie No. 86 Amend.	Utah	230611
Julie No. 88 Amend.	Utah	230612
Lisa Fraction No. 1	Tooele	127909
Cindy Fraction No.1	Tooele	127910
Cindy Fraction No.1		
Amend.	Tooele	127910
Steve Fraction No.1	Tooele	127911
Mike Fraction No. 1	Tooele	127912
Mike Fraction No. 1		
Amend.	Tooele	127912
Mike Fraction No.		
1 B	Tooele	256984
Go Fraction No. 1	Tooele	127913
Go Fraction No. 2	Tooele	127914
Go Fraction No. 2		
Amend.	Tooele	127914
Go Fraction No. 3	Tooele	127915
Go Fraction No. 3		
Amend.	Tooele	127915
Go Fraction No. 4	Tooele	127916
Go Fraction No. 4		
Amend.	Tooele	127916
Go Fraction No. 5-8	Tooele	127917-127920
Go Fraction No. 8		
Amend.	Tooele	127920
Go Fraction No. 9	Tooele	127921

CLAIM NAMECOUNTYB.L.M. NUMBERS

Go Fraction No. 9 Amend.	Tooele	127921
Go Fraction No. 10-12	Tooele	127922-127924
Go Fraction No. 12 Amend.	Tooele	127924
Go Fraction No. 13	Tooele	127925
Go Fraction No. 13 Amend.	Tooele	127925
Go Fraction No. 13 2nd. Amend.	Tooele	127925
Bill Fraction No. 1	Tooele	127926
Bill Fraction No. 2	Tooele	127927
Bill Fraction No. 3	Tooele	127928
Buzz No. 1	Tooele	256985
Ollie No. 1	Tooele	264691
Ollie No. 2	Tooele	264692
Ollie No. 4	Tooele	264693
Ollie No. 6	Tooele	264694
Ollie No. 7	Tooele	264695
John No. 1-6	Tooele	127929-127934
John No. 7-9	Tooele	127935-127937
Pat No. 1-4	Tooele	127938-127941
Vicky No. 1-14	Tooele	127942-127955
Violet Ray No. 1-12	Utah	127956-127967
SW No. 95-99	Tooele	231814-231818
SW No. 102-104	Tooele	231821-231823
PR No. 11	Tooele	231705
PR No. 16-18	Tooele	231710-231712
SS No. 244	Tooele	241273
SW No. 100-101	Tooele	231819-231820
Itch No. 1-41	Tooele	225063-225103
Itch No. 41	Utah	225103
Itch No. 42	Tooele	225104
Itch No. 42	Utah	225104
Itch No. 43	Tooele	225105
Itch No. 43	Utah	225105
Itch No. 44-48	Tooele	225106-225110
Itch No. 46	Utah	225108
Itch No. 64-65	Tooele	225126-225127
Itch No. 69-75	Tooele	225131-225137
Itch No. 81	Tooele	225143
Itch No. 81 Amend.	Tooele	225143
Itch No. 82-83	Tooele	225144-225145
Itch No. 82 Amend.	Tooele	225144
Julie No. 45 Amend.	Tooele	230575
Hillside Fraction	Tooele	Not Yet Assigned

<u>CLAIM NAME</u>	<u>COUNTY</u>	<u>B.L.M. NUMBERS</u>
Sacramento Fraction	Tooele	"
Tip Toe Fraction	Tooele	"
Sunrise Fraction	Tooele	"
Abba Fraction	Tooele	"
Pegasi Fraction	Tooele	"
Seal Fraction	Tooele	"
Midway Fraction	Tooele	Not yet Assigned
Carrie Steele		
Fraction	Tooele	"
Carthage Fraction	Tooele	"
Grey Boll Fraction	Tooele	"
Julie No. 84 Amend.	Tooele	230614
Julie No. 83 Amend.	Tooele	230613
Julie No. 81 Amend.	Tooele	230611

MINERAL LEASES

1. Lease dated as of March 1, 1973, as amended by Amendment of Lease dated December 5, 1973 between Sacramento Gold Mining Company, a Utah corporation and Gold Standard, Inc., a Utah corporation, a Memorandum of Lease dated as of March 1, 1973, being recorded in Book 188 at Pages 35-38, records of Tooele County, Utah, affecting the following patented lode mining claims:

<u>CLAIM NAME</u>	<u>MINERAL SURVEY (OR LOT) NUMBER</u>
Jessie Lakin [Jessee Lakin	3000
Sage Hen	4251
Mattie No. 3	4251
May Day	4251
Sacramento No. 1	4252
Sacramento	2990
Excelsior	3448
Pan Handle	2992
Abba	3362
Sunrise	3380
Herschel	3084
Herschel No. 2	3084
Herschel No. 3	3084
Herschel No. 4	3084
Yellow Jacket	3084
Yellow Jacket No. 2	3084
Remnant	3085
Pegasi [Pagasi]	3248
Hazle [Hazel]	2994
Hillside No. 2	2989
Hillside No. 3	2989

2. Lease dated as of March 1, 1973, as amended by Amendment of Lease dated December 5, 1973 between Bothwell and Swaner Corporation, a Utah corporation and Christine B. Morehouse, and Gold Standard, Inc., a Utah corporation, a Memorandum of Lease dated as of March 1, 1973, being recorded in Book 188 at Pages 39-43, records of Tooele County, Utah, affecting the following patented lode mining claims:

<u>CLAIM NAME</u>	<u>MINERAL SURVEY (OR LOT) NUMBER</u>
Abba	3362
Sunrise	3380
Herschel	3084
Herschel No. 2	3084
Herschel No. 3	3084
Herschel No. 4	3084
Yellow Jacket	3084
Yellow Jacket No. 2	3084
Remnant	3085
Pegasi [Pagasi]	3248
Hazle [Hazel]	2994

3. Lease dated as of March 1, 1973, as amended by Amendment of Lease dated December 5, 1973 between Geyser Marion Gold Mining Company, a Utah corporation and Gold Standard, Inc., a Utah corporation, a Memorandum of Lease dated as of March 1, 1973, being recorded in Book 188 at Pages 28-34, records of Tooele County, Utah, affecting the following patented lode mining claims:

<u>CLAIM NAME</u>	<u>MINERAL SURVEY (OR LOT) NUMBER</u>
June Bug	2983
Baby Elephant	2983
Front No. 3 Lode	Lot 73
South Geyser	3015
Snyder	3141
Sunday	3279
Golden Slipper	3279
First Chance	4057
Baltic Lode	3104
Annapolis	3184
Annapolis No. 3	3184
Sambo	3181
Black Horse No. 1	3494
Black Horse No. 3	3494
Black Horse No. 4	3494
Black Horse No. 8	3494

CLAIM NAMEMINERAL SURVEY
(OR LOT) NUMBER

Black Horse No. 23	3494
Don	3167
Flo	3167
Hal	3167
Seago Lilly No. 1	3390
Seal 3180	
Seal No. 2	3180
Seal No. 3	3180
Maine No. 2	3180
McKay	3260
Scribner	3260
Scribner No. 2	3271
Scribner No. 3	3271
Elma	3260
Strong Fraction No. 1	3200
Black Horse No. 2	3494
Maine	3180
Era Mine No. 2	4944
Era Mine No. 1	4944
Black Bare Group No. 1	4944
Black Bare Fraction	4944
Black Bare No. 4	4944
Black Bare Extension No. 2	4944
Black Bare Fraction No. 2	4944
Black Bare No. 3	4944
Black Shale Lode	3029
Geyser	Lot 58
Dump No. 2	3127 [3120]
Dump	3124
Madonna	3287
Marion	37
Sparrow Hawk	38
West Geyser	75
Florence No. 3	75
Slimey Fraction	3200
May Flower	3182
May Flower No. 1	3182
Bay Horse No. 1	3182
Bay Horse No. 2	3182
Bay Horse No. 3	3182
Last Chance	Lot 39
Protective Tariff	Lot 74
Alton	3390
Golden Zone	3390
Snowstorm No. 1	3877
Snowstorm No. 2	3878
Snowstorm No. 3	3879

CLAIM NAMEMINERAL SURVEY
(OR LOT) NUMBER

Snowstorm No. 4	3880
Snowstorm No. 5	3881
Snowstorm No. 6	3882
Snowstorm No. 10	3886
Santa Fe	3681
Grace K	3681
Ohio Boy	3681
Nellie G.	3681
Robert Lode (Unpatented)	7180
Martha Washington	3342
Vanderbilt	3342
Bucklin	3342
Singer	3342
Vindicator	3342
Buena Vista	3231
Gold Button	3231
Mary Jean No. 1	3231
Mary Jean No. 2	3231
Mary Jean Fraction	3231
Douglas Mining Claim No. 1	3142
Douglas Mining No. 2	3142
Hecla No. 1	3079
Hecla	3079
Hecla No. 2	3079
Hecla No. 4	3079
Try Again	4192
Ivanhoe	4192
Coin	4192
Albion	4192
Sister Mary	3164
West Selma	3164
West Shore	3164
Hecla No. 3	3079
Selma	3164
Four O'Clock	3164
Esther	3164
Alice	3164
Maggie Kelley	3164
Honest Dick	3164
Black Sheep	3164
Lola Barker	3164
Monopolist No. 1	3487
Monopolist No. 2	3487
Monopolist No. 3	3487
Monopolist No. 4	3487
Monopolist No. 5	3487

CLAIM NAMEMINERAL SURVEY
(OR LOT) NUMBER

Monopolist No. 6	3487
Monopolist No. 7	3487
Monopolist No. 8	3487
Syndicate No. 1	3487
Syndicate No. 2	3487
Grannet Mountain No. 4	3935
Quartet No. 1	3935
Kansas Boy	3935
Kansas Boy Fraction	3935
Kansas Boy No. 4	3935
Kansas Boy No. 3	3935
Friday	3103
Victor	3144
Grannet Mountain No. 2	3681
Grannet Mountain No. 3	3681
Grannet Mountain No. 5	3681
Granite Mountain No. 6	3681
Lone Pine	7181
Consolidated Camp Douglas Mine	40
American Flag	Lot 47
Red Eagle	Lot 47
Lynn	Lot 47
Black Hawk	Lot 47
Little Pittsburgh Mine	3129
Eagle	3431
Summit	3651
Eureka	3431
Spar Mine	3129
Last Chance	3129
Cap Rock	3090
Lake View	3090
Nora No. 2	3090
Nora	3090
Junction	3090
William Penn	3378
Bald Eagle Mine	3126
Eagle's Nest Mine	3126
Grey Eagle Mine	3126
American Eagle Mine	3126
Abba	3362
Sunrise	3380
Herschel	3084
Herschel No. 2	3084
Herschel No. 3	3084
Herschel No. 4	3084
Yellow Jacket	3084

CLAIM NAME

MINERAL SURVEY
(OR LOT) NUMBER

Yellow Jacket No. 2
Remnant
Pegasi
Hazle [Hazel]

3084
3085
3248
2994

Also Property described as:

Lot 4, Block 13, Plat B. Mercur Survey.
Lots 6, 7, and 18, Section 7, T6S, R3W,
SLB&M. Lots 3 and 4, Block 2, Mercur Survey.

Lots 1, 2, 3, 4, and 5, part of Lot 6, part
of Lot 7, and Lot 8, Block 1; Lots 25 and
26, Block 2; Lot 17, Block 3; Lots 1, 2, 3,
4, 5, 6, 8, 9, 12, 13, 14, 15, 16, 20, 21,
22, 23, 24, and 25, Block 3, Plat A, Mercur
Survey.

Lots 1, 2, 3, 7, 8, 9, 10, 11, 12, 15, 16,
17, 18, 19, 20, and 21, Block 4; Lots 1 to
16 inclusive, Block 5; Lots 1 to 22 inclu-
sive, Block 6; Lots 1, 2, 3, 4, and Lots 6
to 26 inclusive, Block 7; all of Block 8
containing 32 lots except Lots 10 and 24;
Lot 15, Block 9, all in Plat A, Mercur
Survey.

All of Block 12, all of Block 13 except Lot
4, all of Block 14 except Lot 5, and all of
Blocks 15, 16, 17, and 18, Plat B, Mercur
Survey.

Lot 20, Section 6, T6S, R3W, SLB&M.

4. Lease dated as of July 25, 1973, as amended by Amend-
ment of Lease dated November 23, 1973 between New Mercur Mining
Company, a Utah corporation and Gold Standard, Inc., a Utah
corporation, a Memorandum of Lease dated of March 1, 1973,
being recorded in Book 188 at Pages 20-23, records of Tooele
County, Utah, affecting the following patented and unpatented
lode mining claims:

<u>CLAIM NAME</u>	<u>MINERAL SURVEY NO.</u>	<u>CERTIFICATES OF LOCATION RECORDED IN THE RECORDS OF SAID TOOELE COUNTY, UTAH ENTRY NO.</u>	<u>DATE RECORDED</u>
Violet Ray No. 1	---	190376	3/13/31
Violet Ray No. 2	---	190377	3/13/31
Violet Ray No. 3	---	190378	3/13/31
Violet Ray No. 4	---	190379	3/13/31
Violet Ray No. 5	---	190380	3/13/31
Violet Ray No. 6	---	190381	3/13/31
Violet Ray No. 7	---	190382	3/13/31
Violet Ray No. 8	---	190383	3/13/31
Violet Ray No. 9	---	190384	3/13/31
Violet Ray No. 10	---	190385	3/13/31
Violet Ray No. 11	---	190386	3/13/31
Violet Ray No. 12	---	190387	3/13/31
Hillside	2989		
Hillside No. 2	2989		
Hillside No. 3 less area deeded Excelsior lode	2989		
Cyclone	2989		
Falcon	2989		
Gunsite	2989		
Carthage	2989		
Bunker Hill	2989		
Carthajenia	2989		
Gold Chain	3679		
Christmas Gift	3679		
Gold Channel	3179		
Gold Channel No. 1	3179		
Gold Channel No. 2	3179		
Tip Top	3179		
Thursday	3179		
Reliance	3179		
Relief	3179		
Trade Mark	4568		
Colorado	3128		

5. Lease dated as of July 25, 1973 as amended by Amendment of Lease dated November 23, 1973 between New Mercur Gold Exploration, Inc., a Utah corporation and Gold Standard, Inc., a Utah corporation, a Memorandum of Lease dated as of July 25, 1973, being recorded in Book 188 at Pages 16-19, records of Tooele County, Utah, affecting the following unpatented lode mining claims:

CLAIM NAMERECORDED IN TOOELE COUNTY

John No. 1	Book 81 of records, page 405
John No. 2	" " " " " 406
John No. 3	" " " " " 407
John No. 4	" " " " " 408
John No. 5	" " " " " 409
John No. 6	" " " " " 410
John No. 7	" 113" " " 106
John No. 8	" " " " " 107
John No. 9	" " " " " 108
Pat No. 1	" 112" " " 102
Pat No. 2	" 115" " " 103
Pat No. 3	" 113" " " 104
Pat No. 4	" " " " " 105
Vicky No. 1	" "82" " " 2
Vicky No. 2	" " " " " 3
Vicky No. 3	" " " " " 4
Vicky No. 4	" " " " " 5
Vicky No. 5	" " " " " 6
Vicky No. 6	" " " " " 7
Vicky No. 7	" " " " " 8
Vicky No. 8	" " " " " 1
Vicky No. 9	" " " " " 9
Vicky No. 10	" " " " " 10
Vicky No. 11	" " " " " 11
Vicky No. 12	" " " " " 12
Vicky No. 13	" " " " " 13
Vicky No. 14	" " " " " 14

6. Lease dated as of July 25, 1973, as amended by Amendment of Lease dated November 23, 1973 between New Mercur Gold Exploration, Inc., a Utah corporation and H.G. Jamison and Gold Standard, Inc., a Utah corporation, a Memorandum of Lease dated as July 25, 1973, being recorded in Book 188 at Pages 24-27, records of Tooele County, Utah, affecting the following patented lode mining claims:

CLAIM NAMEMINERAL SURVEY
(OR LOT) NUMBER

Sarah B.	3504
Blue Bird	3504
Hazard	3504
Mollie S.	3504
Laura R.	3504
Bond Issue	3504
Sue N.	3504
Elmwood	3504
Electric	3504
Raven No. 4	3504

7. Lease dated as of January 1, 1974, as amended by Amendment of Lease dated July 1, 1974 between Rover Gold Mining Company, a Utah corporation and Gold Standard, Incorporated, a Utah corporation, a Memorandum of Lease dated as of January 1, 1974 being recorded in Book 188 at Page 12-15, records of Tooele County, Utah, and affecting the following patented lode mining claims:

CLAIM NAME

MINERAL SURVEY
(OR LOT) NUMBER

NAME OF CLAIM

MINERAL
SURVEY NO.

Rover	3089
Rover Mine No. 2	3089
Rover Mine No. 3	3089
Rover Mine No. 5	3089
Rover No. 6	3152
Rover No. 7	3152
Rover No. 8	3152
Rover Mine No. 4	3284
Little Vee	3284
Gold Flat	3284

8. Utah State Lease for metalliferous minerals dated December 1, 1978 bearing mineral Lease No. 37509 covering 174.60 acres, more or less, in Section 32, T5S, R3W, SLM, Tooele County, Utah. Said lease were assigned to Getty Mineral Resources Company (now Getty Minerals Company) by Assignment dated July 13, 1981 and filed August 31, 1981 with the Utrah Division of State Lands & Forestry, State of Utah.

All of the above leases, except number 8, are subject to reservations and exceptions of record in Tooele and Utah Counties, Utah, an unrecorded Grazing Lease dated April 1, 1985 from Getty Mining Company as lessor to Mervin J. and Georgia J. Russell, covering a portion of the lands described above in Tooele County, Utah and an Assignment from Gold Standard, Inc., to Getty Mineral Resources Company (now Getty Minerals Company) dated May 12, 1981 and recorded in Book 193, at Page 242 of the Records of Tooele County, Utah.

EASEMENTS AND RIGHTS OF WAY

1. Right of Way Agreement dated February 2, 1982, from Tooele County, Utah, Operating Right of Way to construct and operate two pipelines 30 feet in width running generally along the Mercur Canyon Road and along the West Dip Road in Tooele County, Utah.

2. Pipeline right of way across Minerals Surveys Nos. 3348 and 3143 in the Mercur Area, Tooele County, Utah, conveyed by Right of Way Agreement dated April 22, 1982, from Donald L. Gilbert, a/k/a D.L. Gilbert and Emma L. Gilbert, husband and wife, to Getty Mining Company (now Getty Minerals Company), evidenced by Memorandum recorded in Book 203 at Page 663 of the Records of Tooele County, Utah.

3. Pipeline Right of Way across Mineral Survey No. 3448 in the Mercur Area, Tooele County, Utah, conveyed by Right of Way Agreement dated April 21, 1982, from Dorothy J. Cuatto to Getty Mining Company (now Getty Minerals Company) evidenced by Memorandum recorded in Book 203 at Page 660 of the Records of Tooele County, Utah.

4. Right of Way Agreement dated March 22, 1982, from the Bureau of Land Management to Getty Mining Company (now Getty Minerals Company) Serial No. 24-47282 for two water well sites in Section 10, T6S, R4W, LB&M, and for a pipeline along the Mercur Canyon Road in Section 7, T6S, R3W and in Section 12, T6S, R4W, all in Tooele County, Utah.